



General Assembly

February Session, 2012

Amendment

LCO No. 4085

SB0000104085SR0

Offered by:
SEN. MCKINNEY, 28th Dist.

To: Subst. Senate Bill No. 1

File No. 400

Cal. No. 287

"AN ACT CONCERNING JOBS AND THE ECONOMY."

1 After the last section, add the following and renumber sections and
2 internal references accordingly:

3 "Sec. 501. (NEW) (*Effective July 1, 2012, and applicable to income years*
4 *commencing on or after January 1, 2013*) (a) For the purposes of this
5 section, (1) "small business reinvestment account" means a trust
6 created or organized by a small business and held by a Connecticut
7 bank for the benefit of such small business, to which the small business
8 may make cash contributions not to exceed the amount set forth in
9 subsection (c) of this section for any income year. Moneys in a small
10 business reinvestment account shall not be invested in life insurance
11 contracts or comingled with other property, and (2) "small business"
12 means any business entity subject to tax pursuant to chapter 208 or 229
13 of the general statutes that has fifty or fewer employees.

14 (b) The Department of Economic and Community Development
15 shall establish criteria and guidelines to select not more than one

16 hundred small businesses that may establish a reinvestment account
 17 pursuant to subsection (c) of this section. Such criteria shall include,
 18 but not be limited to, a requirement that any such small business shall
 19 have not more than fifty employees. The department shall, based on
 20 the criteria established pursuant to this subsection, establish an
 21 ongoing list of selected small businesses.

22 (c) Any small business may establish an interest-bearing small
 23 business reinvestment account, provided (1) contributions in any
 24 income year shall not exceed the lesser of (A) fifty thousand dollars in
 25 income years commencing on or after January 1, 2012, and prior to
 26 January 1, 2013, or one hundred thousand dollars in income years
 27 commencing on or after January 1, 2013, or (B) such small business's
 28 domestic gross receipts, (2) moneys may be held in such account for
 29 not more than five years, (3) distributions from such account shall be
 30 used by such small business for workforce training or capital expenses,
 31 and (4) disbursements shall be subject to tax at a rate of one-half of the
 32 tax rate otherwise imposed regardless of corporate or business
 33 structure.

34 (d) Any money remaining in a small business's reinvestment
 35 account at the end of the five-year period or any interest earned that
 36 results in the account balance exceeding the amounts established
 37 pursuant to subdivision (1) of subsection (c) of this section in any given
 38 year shall be returned to the small business who shall pay the full rate
 39 of tax on such amount under chapter 208 of the general statutes,
 40 provided such payment shall be deemed to be a timely payment if
 41 such tax is remitted to the Commissioner of Revenue Services not later
 42 than sixty days after the date of such return."

This act shall take effect as follows and shall amend the following sections:		
Sec. 501	<i>July 1, 2012, and applicable to income years commencing on or after January 1, 2013</i>	New section